



State Auditor  
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## OFFICE OF THE STATE AUDITOR

# *E-Update*

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August 25, 2017

1. Pension: Protecting Private Member Data
2. Released: Pension Newsletter
3. Avoiding Pitfalls: Petty Cash (Imprest) Funds - Part II

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### **1. Pension: Protecting Private Member Data**

Some of the reporting forms completed by a volunteer fire relief association contain private member information. Private data must be protected, in accordance with Minnesota's Data Practices Act. A relief association, for example, should not post a copy of the Schedule Form or other reporting forms containing private member data in the fire hall or other public place without first redacting (removing or covering up) all private data.

The Data Practices Office of the Minnesota Department of Administration provides helpful information about data practices on its website, at <https://mn.gov/admin/data-practices/>.

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### **2. Released: Pension Newsletter**

The August **Pension Newsletter** has been released. The Newsletter provides information about meeting the September 15 deadline to be eligible for the first distribution of 2017 fire state aid. The Newsletter also provides a Working Group update, details about the approval of relief association expenditures, and information about the role of relief associations in requesting a cost analyst to join the Statewide Plan administered by the Public Employees Retirement Association.

The complete Newsletter can be accessed at:

<http://www.auditor.state.mn.us/default.aspx?page=pensionDocs>.

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### **3. Avoiding Pitfalls: Petty Cash (Imprest) Funds - Part II**

Part I of the Petty Cash (Imprest Funds) Avoiding Pitfalls series discussed the establishment of petty cash (imprest) funds. This entry provides information on making withdrawals from these funds.

There are two possible methods of withdrawing petty cash funds: the reimbursement method and the advance method. When using the reimbursement method, an individual purchases an authorized item with personal funds, provides the original detailed vendor receipt to the petty cash fund's custodian, and is then reimbursed from the petty cash fund. This method is less complicated than the advance method. There is no risk of loss of petty cash funds due to the purchaser failing to buy the item and/or to submit supporting documentation for the purchase. It also allows the petty cash fund to be replenished more quickly than with the advance method. For these reasons, the reimbursement method is generally preferred.

The advance method consists of the fund's custodian advancing petty cash funds to an individual for the purchase of a specific item. The custodian should document the date and person to whom the funds were provided, the amount provided, and the purpose for the advance. The individual receiving the advance then purchases the authorized item, returning the original detailed vendor receipt and any remaining change to the petty cash custodian. Under the advance method, the fund's custodian may need to follow up if the individual does not return the receipt and change in a timely manner.

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